

# **Public Report Sustainable Forest Management System**

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**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



**JOB NUMBER:** AJA/IFCC-038

**CLIENT NAME:** PT CITRA SUMBER SEJAHTERA

**TOTAL HECTARES:** 15,360 hectares

**SCOPE OF REGISTRATION:** Sustainable Forest Management in Plantation Forest area of 15,360 hectares in Riau Province.

**STANDARD/CRITERIA:** IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Stage 2

**AUDIT START DATE:** February 21, 2016

**AUDIT END DATE:** February 24, 2016

In signing this document the Audit team confirms that they have had no involvement with the company under audit in terms of consultancy, training, direct employment etc. within the last 2 years and have no other involvement (financial, shareholding or commercial) that would constitute a Conflict of Interest

**LEAD AUDITOR:** Abdullah Mujahid

**SIGNATURE:**

**AUDIT TEAM:** Utomo

**SIGNATURE:**

Abdul Salam

**SIGNATURE:**


**MAJOR CARs:** 0

**MINOR CARs:** 7

<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):</b>	<input type="checkbox"/>
<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b>	<input checked="" type="checkbox"/>
<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b>	<input type="checkbox"/>
<b>NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):</b>	<input type="checkbox"/>

**SELECT OPTION**

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<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):</b>	<b>DATE OF EACH SITE VISIT:</b>
Estate Peranap	PT. CSS, Peranap Districs, Indragiri Hulu Regency, Riau Province, Indonesia	February 21 to 24, 2016
<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY – TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN (If more than 4 additional sites have been registered please add additional rows)</b>	
	N/A	
<b>REF No:</b>	<b>ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)</b>	
	N/A	

### **Brief Description of the concession and its natural and socio-economic conditions.**

PT. Citra Sumber Sejahtera (PT CSS) was granted an operating license for plantation management per the Decree of the Minister of Forestry of the Republic of Indonesia No. 68 / Menhut-II / 2007 dated 23/02/2007, covering an area of 15,360 ha. In the forest management of PT. CSS the spatial working area measuring 15,360 hectares has been divided into protected areas covering an area of 2,629 ha (17.12%), basic plant area of 8,923 hectares (58.09%) and plant life area of 3,808 ha (24.80%).

The working area of Management Unit PT CSS is geographically situated at E 1010 53'45 " - 1020 00 '35" and S 000 43' 20" - 00051'30", based on administration Peranap located in the district of Indragiri Hulu, Riau Province. Boundary regions are as follows: North - KUD Serangge Permai; South - Protected Forest Bukit Batabuh; East - KUD KUD Seranggai Permai and Bina Cipta Karya; and West - PT. Artelindo Wira Tama

Management Unit work area has a flat topography (0-8%) 51.51%, ramped (8% -15%) 37.87% and corrugated (15-25%) 10.62% at an altitude of 30-60 meters above sea level. The Kwalaran, Peladangan and Serangge rivers flow through the forest cultivation area. Based on the climate classification according to Schmidt-Ferguson, PT. CSS is included in the climate type A with a value of Q = 14.3%. Based on the Geological Map of PT. CSS, it is included in geological formations of

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Palembang (Qtpu; Tpm; TPL) and the geological formations of Telisa (Tmtu; Tmtl). The soil type is of Red Yellow Podzolic (PMK), the entire working area of PT. CSS having a mineral soil. Unit Management has decided to develop plant types Acacia mangium and Eucalyptus pellita.

The village around the work area is the Desa Pauh Ranap Community consisting of mostly ethnic Malays (80%), together with Javanese, Minang and Batak. The livelihood of most of the people is farming / gardening. The unit has a Management Environmental Impact Assessment (EIA) document authorized by the Head of Indragiri Hulu BAPEDALDA Number: 392 / BAPEDALDA / IX / 2002, September 30, 2002). The Environmental Management Plan (RKL) contains the following social component parameters:

- Job opportunities and business opportunity.
- Public health services
- Education and community participation in forest management, forest resources and the environment.

The Environmental Monitoring Plan (RPL), meanwhile, discusses the impact of socioeconomic and cultural components to be monitored and include the development of:

- Local labor force participation rates from those located in and around the concession.
- Patterns of income levels from those around the area of activity.
- Quality of health care and public education.
- Dynamics and participation in activities of the PMDH community.
- Perceptions, attitudes and appreciation of those located around the concession.

PT CSS is charged with managing and protecting the flora and fauna (protected areas) covering an area of 2,629 ha (17.12%), which consists of 1,785 ha of riverbank areas, 200 ha KPPN and 644 ha of Buffer Zone HL of Batabuh Hill. Other activities required include conducting surveys, monitoring and identification of vegetation and wildlife each semester, and enrichment planting of local species. PT CSS also has to report on the environmental management plan and environmental monitoring plan implementation each semester.

Prior to conducting the Stage 2 audit, PT AJA Sertifikasi Indonesia conducted public consultation, commencing February 2, 2016, asking stakeholders to provide feedback on PT CSS. Notice of this public consultation was uploaded to the website of PT AJA Sertifikasi Indonesia ([www.aja-indonesia.com](http://www.aja-indonesia.com)), sent to the parties via email and / or postal mail, and published in local newspapers. There was no input from the public consultation and PT AJA Sertifikasi Indonesia audit team also gathered information from media reports about PT CSS. Such reported cases are considered to be part in the audit process carried out by PT AJA Sertifikasi Indonesia.

The main problem the management unit of PT. CSS faces relates to land tenure, resulting in increasing pressures on the forest that are difficult to reduce. In regard to the area of its tenure, the Company has incorporated solutions through legal channels. Meanwhile, the area claimed by the community has been addressed in accordance within the settlement framework of priority deliberations. The Management Unit has taken steps in accordance with the SOP Conflict Resolution Protocol.

The Management Unit has identified all the necessary requirements for this certification process, including legal aspects that include compliance with international rules and regulations and conventions. The management system has been



built to cover all activities in the field of certification, which is registered as an area of 15,360 ha for certification

### Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.

Results of the Stage 2 audit revealed seven (7) minor non-conformities. PT CSS has performed corrective actions for all the non-conformities raised and shown serious commitment to sustainable forest management.

NO	Non-conformities (N/C)	Corrective Action to be undertaken	Category
1	Field verification of the spatial map, found a temporary log yard on the cutting block (TPn) that was outside the <i>annual plan</i> block 2015. The TPn was in <i>annual plan</i> block 2012.  Clause Ref: I.1.14	Adding location TPn (logyard in the cutting block), including those contained in <i>annual plan</i> block 2012, into map of <i>annual plan</i> 2012 and map of <i>annual plan</i> current year	Minor
2	Based on field observations and document study, the ten-year <i>Management plan</i> approved by the Management Unit does not include the social dynamics.  Clause Ref: I.2.3	Planning Manager has provided a supplies document signed by Top Management to complement the grain requirements of clause I.2.3 IFCC	Minor
3	Management Unit has yet to develop participatory ways to monitor and encourage agreements with local communities, indigenous peoples and other parties who are entitled to exploit the products of NTFPs, so that their activities will not exceed the level of sustainability or cause a negative impact that affects forest resources.  Clause Ref: I.5.4	Assistant head of the Common Services has set up a schedule that includes utilization of NTFP potential inventory, deliberations, agreement making, and monitoring	Minor
4	Plot monitoring of erosion was only for three (3) plots, namely those for plants aged 1, 2 and 3 years old. This is not in accordance with the SOP Monitoring of erosion and soil fertility (Installation Stick Measure Erosion) which is to be performed on five (5) Age Classes in accordance with Class Slope on Plantation and on Protected Areas / Natural Forest Area  Clause Ref: I.6.3	SOP for monitoring of soil erosion and fertility has since been revised and is now in accordance with requirements.	Minor
5	Observation Trails Vegetation was only found in the Riparian zone of the Serangge River. This	Management Unit has determined a time schedule for the observation and	Minor

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	is not in accordance with the SOP Monitoring of Protected Areas.  Clause Ref: I.7.1	monitoring of vegetation in all of the protected area in accordance with the SOP for observation and monitoring of vegetation.	
6	Protected Area Buffer Zone Forest Reserve (HL) Bukit Batabuh, KPPN and Riparian Zone Kwalaran River area are community claimed. Vegetation conditions are mostly palm oil plantation of the communities. This is not in accordance with the function and purpose of protection (e.g. Buffer Zone to protect damage to Protected Forest, KPPN to protect the germplasm) and Riverbanks to protect water bodies)  Clause Ref: I.7.5	Management Unit has agreed cooperation with a local security body to carry out monitoring (patrol, making signboard). Management Unit has undertaken redesign of the landscape for the next ten years management plan (RKUPHHK).  Management Unit has prepared a nursery containing endemic species for rehabilitation.  Management Unit has developed plans for relocation to an area that has equal representation of local natural forest vegetation.  The relocation plan includes stages of inventory, location determination, and boundary marking on the ground.	Minor
7	Unit Management has not provided public toilets in the barracks at the camp for PT CSS planting contractor's employees. Bath wash toilet (MCK) is on the river  Clause Ref: I.12.5	Capital expenditure for the proper construction of sanitary facilities for workers in the barracks of the planting contractors has been developed.	Minor

**Conditions under which the certificate is issued**

The certificate is valid until 27/07/2019, provided that PT. CSS completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problem on the next surveillance visit. If non-conformities are not closed by the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a close-out visit.